



House Committees on Public Health and Human Services

Joint Interim Hearing

SNAP Overview and Nutrition Initiatives

Stephanie Muth
Deputy Executive Commissioner for Social Services

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Supplemental Nutrition Assistance Program Overview

The Supplemental Nutrition Assistance Program (SNAP) is an entitlement program that provides a monthly benefit to qualified applicants

- Benefits can be used to purchase eligible food items from participating retailers
- SNAP benefits are provided through the Lone Star Card, an electronic benefit transfer card that is similar to a debit card

SNAP Administration

- USDA Food and Nutrition Service (FNS) oversees SNAP
- HHSC is responsible for eligibility policy and determination, and benefit administration

Federal and State Roles

Federal - USDA Food and Nutrition Service

- Define eligible food items
- Establish benefit levels
- Establish eligibility criteria, with some state options
- Authorize retailers and investigate retailer fraud

State - Health and Human Services Commission

- Determine client eligibility based on federal criteria
- Issue benefits on the state-maintained electronic benefit transfer (EBT) system
- Investigate client fraud (Office of Inspector General)

SNAP benefits are:

- 100 percent federally funded
- Benefit amounts are established at the federal level
 - Over the last 12 months, HHSC has issued \$438.2 million in SNAP benefits to 3.6 million individuals on average each month
 - \$5.32 billion in benefits were issued in FY 2011

The administrative costs are:

- 50 percent federally funded
- 50 percent state funded

Eligible Food Items

Items eligible for purchase with SNAP benefits are defined in the federal Food and Nutrition Act as:

"any food or food product for home consumption and also includes seeds and plants which produce food for consumption by SNAP households"

Any change to this definition would require new federal law

SNAP benefits cannot be used to buy:

- Beer, wine, liquor, cigarettes or tobacco
 - Any nonfood items such as pet foods, soaps, paper products and household supplies
 - Vitamins and medicines
 - Food that will be eaten in the store
 - Hot food (states can request a waiver to allow hot foods to be purchased in times of disaster)
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Electronic Benefit Transfer

- HHSC utilizes Electronic Benefits Transfer (EBT) to deliver SNAP benefits
- Federal policy requires state EBT systems to be interoperable to ensure that clients can use SNAP benefits in any state
- Eligible clients receive an electronic debit card, the Lone Star Card, and establish a Personal Identification Number
 - The card is used to make eligible purchases from retailers that are authorized to accept SNAP
- Benefits are loaded onto the Lone Star Card on a monthly basis

FNS is conducting the Healthy Incentives Pilot (HIP) to encourage SNAP recipients to purchase more fresh Produce with their benefits

- 2008 Farm Bill authorized \$20 million to determine if incentives provided to SNAP recipients at the point-of-sale increase the purchase of fruits, vegetables, or other healthful foods
 - 14-month pilot is underway in Massachusetts and will end in December 2012
 - For every SNAP dollar participants spend on fruits and vegetables, 30 cents is added to their benefit balance
- Evaluation report will be issued in 2013

Federal regulations give states the option to provide nutrition education to SNAP recipients

- Goal of SNAP-Ed is to improve the likelihood that SNAP recipients will make healthy food choices within a limited budget and choose physically active lifestyles
- HHSC contracts with 14 organizations to provide nutrition education information and classes throughout the state
 - Contractors include Texas A&M University AgriLife Extension Service, ACTIVE Life Inc., and twelve food banks
 - Classes cover topics such as food budgeting, food safety, healthy food choices, and increasing daily physical activity

- **Partnered with the Texas Department of Agriculture (TDA) and FNS to place wireless EBT devices in farmers' markets**
 - TDA identified the farmers' markets eligible for the pilot, and HHSC provided wireless EBT devices
- **Primary purposes of the pilot:**
 - Increase opportunities for SNAP and cash assistance program recipients to purchase fresh fruits and vegetables
 - Assess the impact of wireless devices on SNAP sales at farmers' markets
- **TDA issued final report to FNS in April 2012**
 - Pilot conducted from October 2010 through October 2011, with 33 markets
 - 14 markets withdrew from the pilot, citing:
 - Insufficient staffing to handle the operations
 - Concern over the cost of maintaining the equipment once the pilot ended
 - 19 markets completed the pilot; feedback included:
 - Overall volume of SNAP transactions was lower than anticipated, making it difficult to justify the expense of staff time needed to administer
- **HHSC continues to work with FNS to identify ways to promote the use of SNAP benefits at farmers' markets**



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SNAP Nutritional Standards

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Federal Definitions

The Food and Nutrition Act of 2008 made no changes to the definition of items eligible for purchase with Supplemental Nutrition Assistance Program (SNAP) benefits:

7 USC §2012 (k) “food” means: *any food or food product for home consumption – except alcoholic beverages, tobacco, and hot foods or hot food products* – and seeds and plants which produce food for consumption by SNAP households*

In addition to the exceptions above, SNAP benefits cannot be used to buy:

- Any nonfood items, such as pet foods, soaps, paper products and household supplies
- Vitamins and medicines
- Food that will be eaten in the store

*for certain benefit recipients (such as the homeless, those receiving alcohol or drug treatment or residing in a family violence shelters) provisions allow prepared meals to be paid for with SNAP benefits

States/localities have requested waivers from FNS to limit the types of foods that can be purchased with SNAP benefits

- Minnesota requested approval to prohibit SNAP purchases of candy and soft drinks that are taxed under state law – FNS denied in May 2004
- New York City requested approval to restrict SNAP purchases of sugar-sweetened drinks – FNS denied in August 2011

Any change to the current definition of food would require Congressional action

- In the past, Congress has considered placing limits on the types of food but no action has been taken
- Farm Bill proposals do not currently include changes to the definition